## 1 September 2015: The European Commission has referred the examination of two major merger cases back to the Autorité de la concurrence

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The European Commission has referred back to the Autorité de la concurrence two merger cases that would normally have fallen within its jurisdiction: the alliance agreement entered into between Auchan and Système U and the acquisition of sole control of Vitalia by Vedici (health care institutions).

In agreement with the companies concerned, it has considered that the French competition authority was the best placed to review these transactions, particularly in relation to their national impact and the experience the Autorité has in the sectors concerned.

## Auchan/Système U (food retail sector)

At the national level, the deal will result in an alliance between the 5th and 6th largest operators in the food retail sector. At the local level, the deal leads to overlapping activities in about 400 areas in which Auchan and Système U both have outlets.

In this case, the investigation will also have to determine whether the deal is likely to harm competition in the upstream market for the supply of consumer products, a market that the *Autorité de la concurrence* already had the opportunity to scrutinise, notably in its opinion issued on 31 March 2015<sup>1</sup> concerning the joint purchasing and listing agreements in the food retail sector.

## Vedici/Vitalia (health care sector)

The *Autorité* will ensure that the deal does not significantly affect competition between health care institutions in France, in particular in the Brittany, Centre, Limousin and Midi-Pyrénées regions, where those companies already have a strong presence.

<sup>1</sup> Press release of 1 April 2015 on joint purchasing and listing agreements in the mass retail distribution sector and <u>opinion 15-A-06</u> of 31 March 2015 concerning the joint purchasing agreements in the food retail sector.

## Timetable

Merger control decisions are issued within a term of 25 working days from the date of acceptance of a file as complete, if no specific competition difficulties arise (phase 1). Should this move to the in-depth investigation stage (phase 2), the decision will be issued within a term of 65 working days.

It is now up to Système U and Auchan, as well as to Vidici, to give formal notification of their merger or acquisition projects to the Autorité de la concurrence.

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